

Lundin Energy

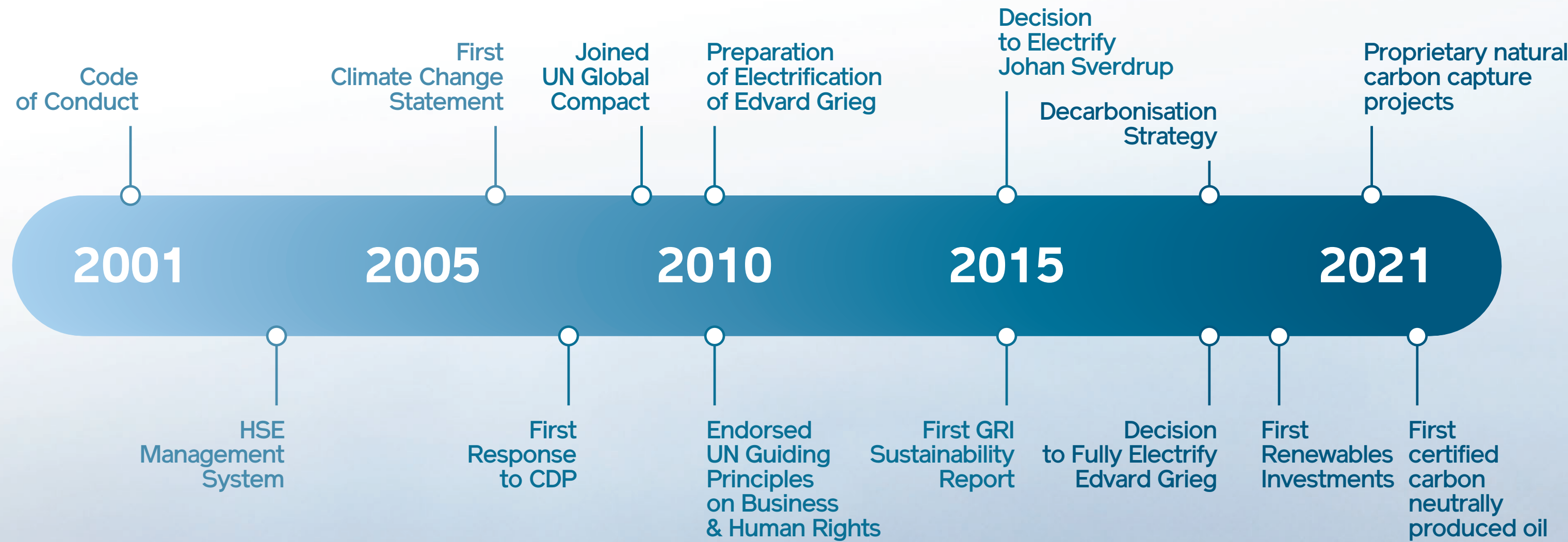
Our Sustainability Approach

September 2021



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Our Sustainability Journey



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Sustainability Approach: 5 Core Themes



Enablers

Sustainability Policies | R&D | Industry Collaboration | Contractor Declaration | Training & Development | Risk Management | Stakeholder Engagement

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Sustainability Approach: Goals and Targets

- Carbon neutral operations by 2023
- 50% absolute emissions reduction target by 2023
- Best-in-class carbon intensity of ~1 kg CO₂/boe by 2023
- 100% of net electricity usage matched by renewable power generation by end 2023

- Zero fatalities
- Zero serious incidents
- Zero lost time incidents
- Zero process safety incidents

- Promote our Code of Conduct through our value chain
- Uphold highest anti-corruption standards
- Promote fair competition
- Maintain clear whistleblowing procedure



- Oily water discharges <15 ppm
- Produced water reinjection rate > 95%
- Waste recovery >90%
- Zero spills to sea

- Increase gender balance and diversity
- Maintain robust labour practices and promote human rights
- Create positive societal impact through Lundin Foundation and engaging with local communities

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Achieving Top Quartile ESG Ratings

ESG Ratings 2020



Top 3
Industry Leader



Top 5%
in the Industry



Ranked 5th
on Environment



Prime Status



AA



A-

ESG Indices 2020



FTSE4Good



Climate Change

7 AFFORDABLE AND
CLEAN ENERGY



13 CLIMATE
ACTION



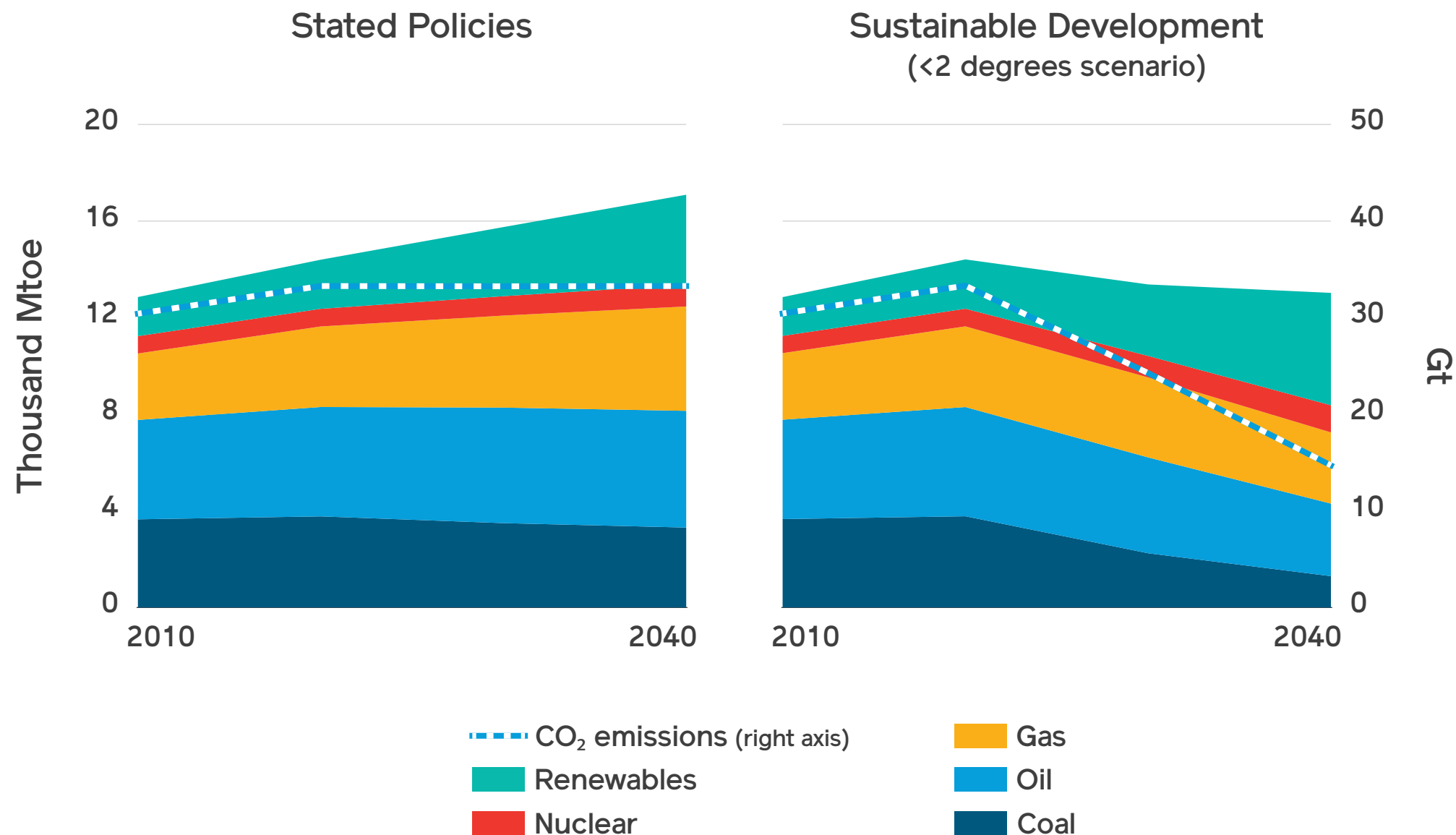
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Oil and Gas: A Major Source of Energy for Decades to Come

World primary energy demand by fuel and related CO₂ emissions by scenario

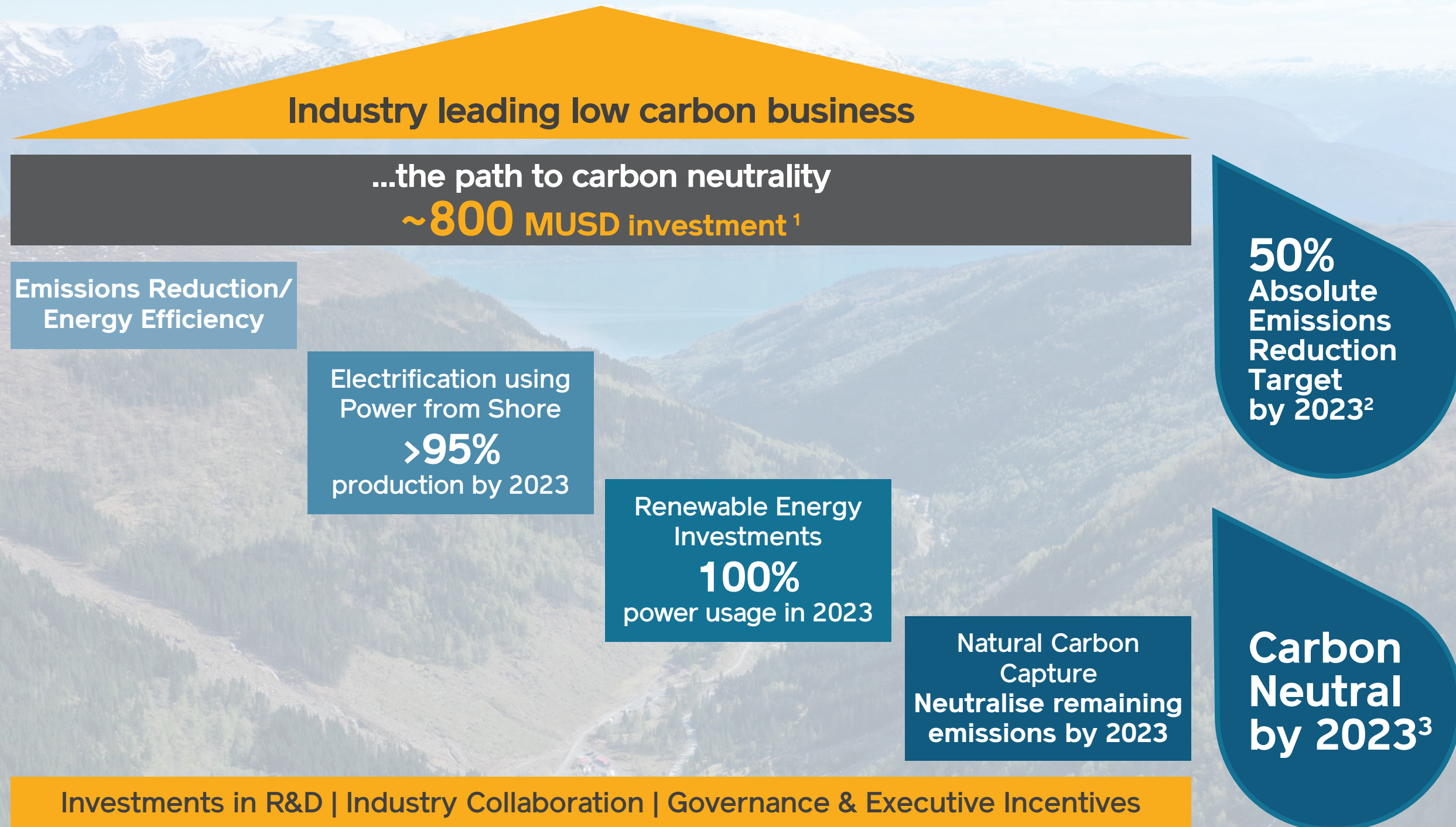


- Oil will still comprise a significant portion of the energy mix in 2040, alongside other forms of energy
- Over this same time frame, to meet climate targets set out in the Paris Agreement, global annual greenhouse gas emissions will need to be halved
- Oil will be used differently in a <2 degree future, with less used in transportation, significant decarbonisation of industry and carbon capture

Source: IEA World Energy Outlook 2020

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Decarbonising to Achieve Carbon Neutrality by 2023



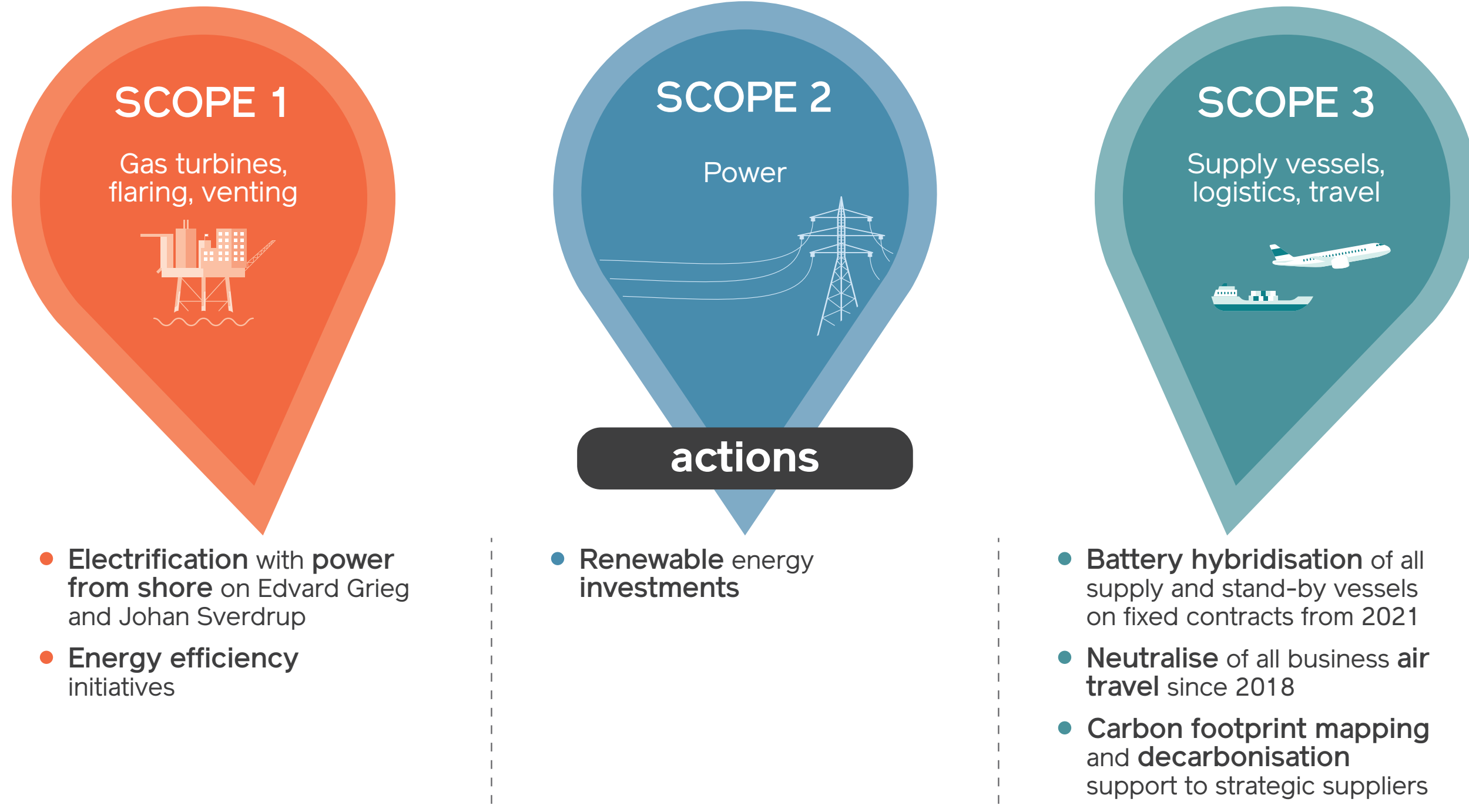
¹ >55% spent to date

² Net Scope 1 and 2 emissions, from 2020 levels

³ Operational emissions (Scope 1, 2 and Scope 3 supply chain emissions - supply vessels, logistics and business travel)

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Our Priority Focuses on the Emissions that we can Influence

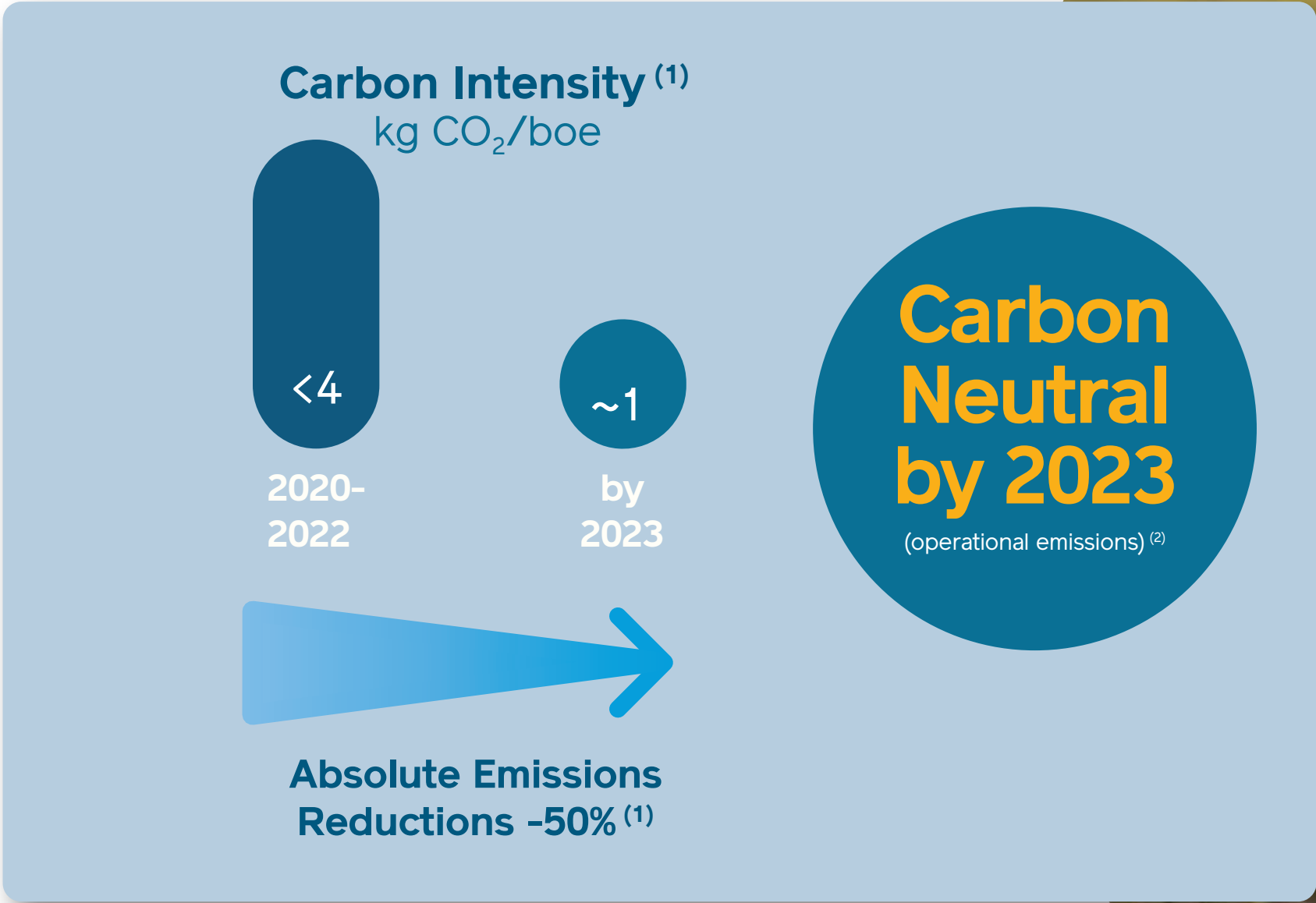


- **Natural carbon capture:** MUS\$ ~50 invested in proprietary reforestation projects and high quality marked based carbon credits to neutralise residual emissions

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Carbon Neutral by 2023

~60%
of production
carbon neutral
in 2021



VERIFIED
CARBONZERO

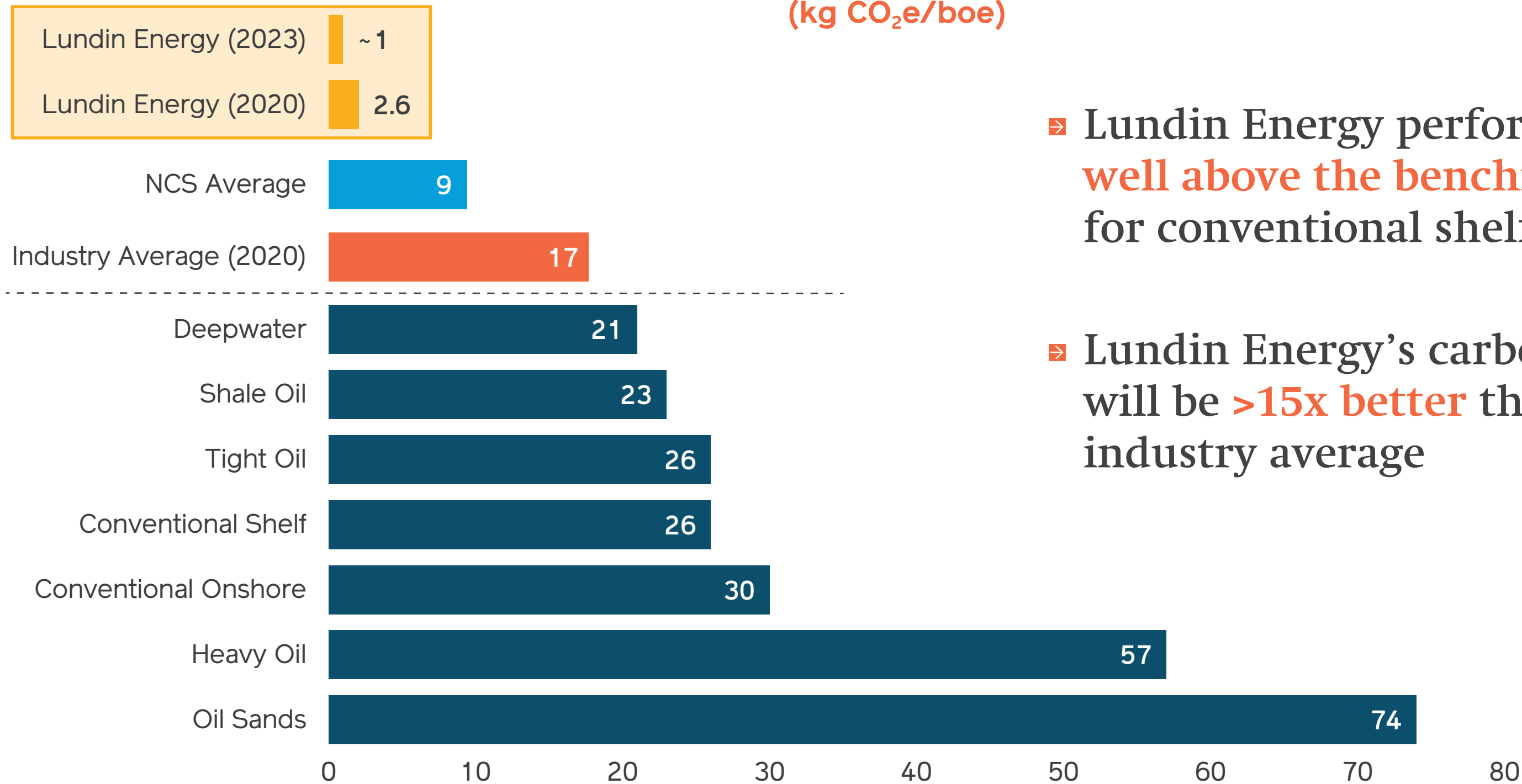
JOHAN SVERDRUP—39,142,000 BOe
17,653 tCO₂e OFFSET
PER CARBONZERO-01

⁽¹⁾ Net equity Scope 1 and 2 emissions
⁽²⁾ Scope 1, 2 and Scope 3 supply chain emissions

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Carbon Performance Well Above the Offshore Industry Average

Carbon intensity
(kg CO₂e/boe)



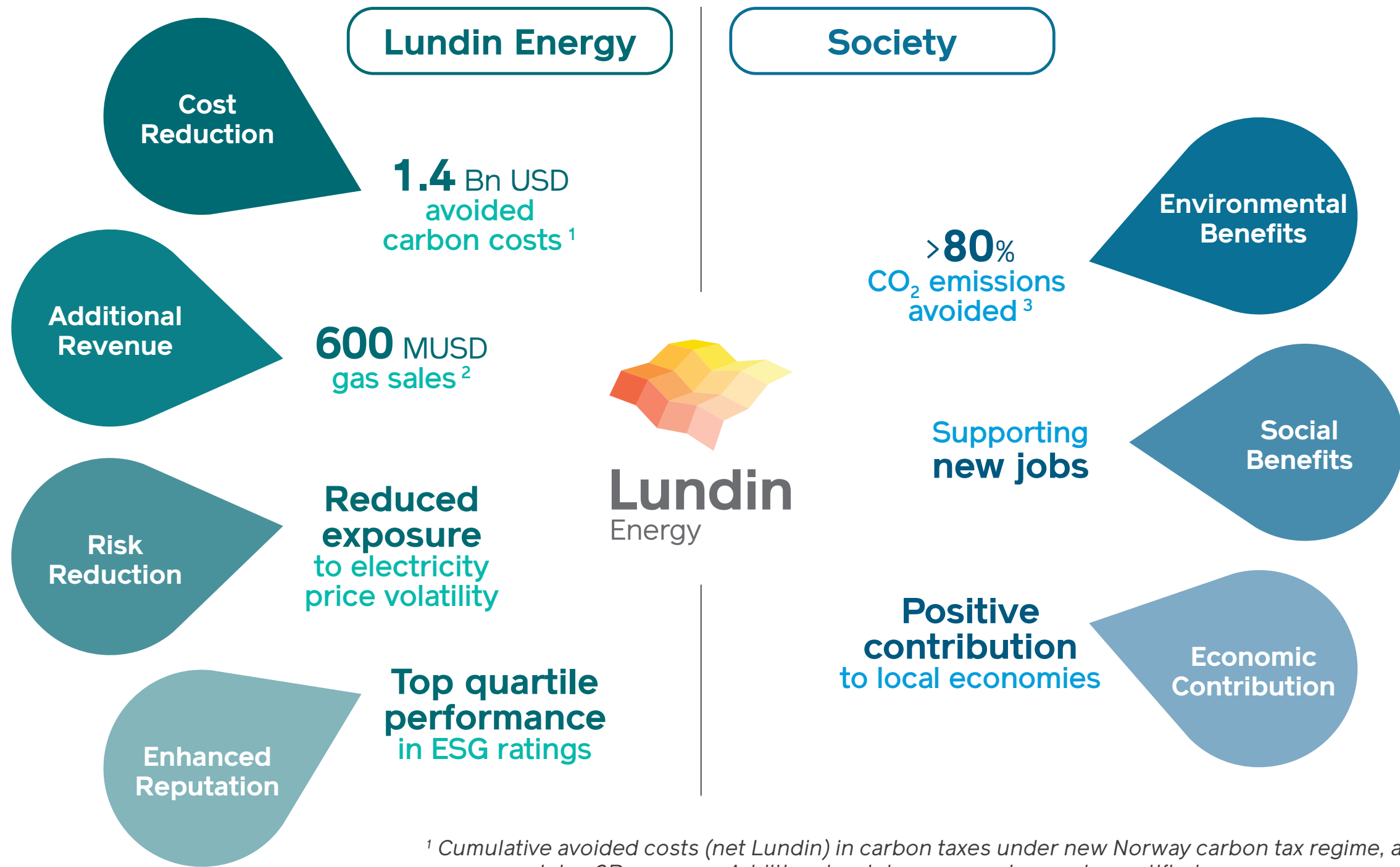
➤ Lundin Energy performs **well above the benchmark** for conventional shelf assets

➤ Lundin Energy's carbon intensity will be **>15x better** than industry average

Source: Carbon Intensity – not all assets are created equal (Wood Mackenzie, 2018)

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Our Decarbonisation Strategy Creates Value for All



¹ Cumulative avoided costs (net Lundin) in carbon taxes under new Norway carbon tax regime, and EU allowances, over remaining 2P reserves. Additional maintenance savings not quantified.

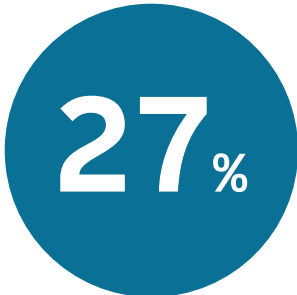
² Additional gas sales (net Lundin) over remaining 2P reserves. Additional value possible from increased uptime.

³ From electrification of Johan Sverdrup and Evdard Grieg. All figures are nominal.

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Contributing to Development of a Low-carbon Industry

2020 R&D Investments



R&D spend on environmental projects



Spend on environmental performance improvement



Total no. of R&D projects¹

Industry Collaboration



Clean Highly Efficient Offshore Power:
Developing efficient fuel cell power systems for marine use



Hybrid Energy System Offshore:
Hybridisation of renewable energy generation for offshore assets



Norwegian Carbon, Capture, transport and Storage Research Centre (NCCS):
CCS technology deployment in the Norwegian Continental Shelf



Low Emission Research Centre:
Developing new technologies for low carbon offshore energy systems

¹ Total no. of projects that contribute to environmental benefits

Environmental Protection

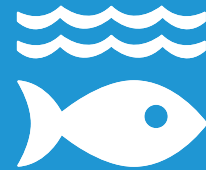
6 CLEAN WATER AND SANITATION



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



14 LIFE BELOW WATER



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Protecting Ecosystems and Minimising Waste & Water Impacts

- Scope 1+2 carbon intensity (net equity basis, kg CO₂/boe)
- Oily water discharges (ppm)
- Produced water reinjection rate (%)
- Waste recovery (%) ²
- Spills to sea (no.)
- Methane emissions intensity (%)

	2021 target	2020 target ¹	2020 performance
Scope 1+2 carbon intensity (net equity basis, kg CO ₂ /boe)	<4	<4	2.6
Oily water discharges (ppm)	<15	<15	11
Produced water reinjection rate (%)	>95	>95	98.6
Waste recovery (%) ²	>90	>80	99
Spills to sea (no.)	0	0	2
Methane emissions intensity (%)	<0.1	<0.1	0.013

Lundin Energy Environmental Policy



¹ Targets apply to operated assets ² Of non-hazardous waste

Safe Operations

3 GOOD HEALTH
AND WELL-BEING



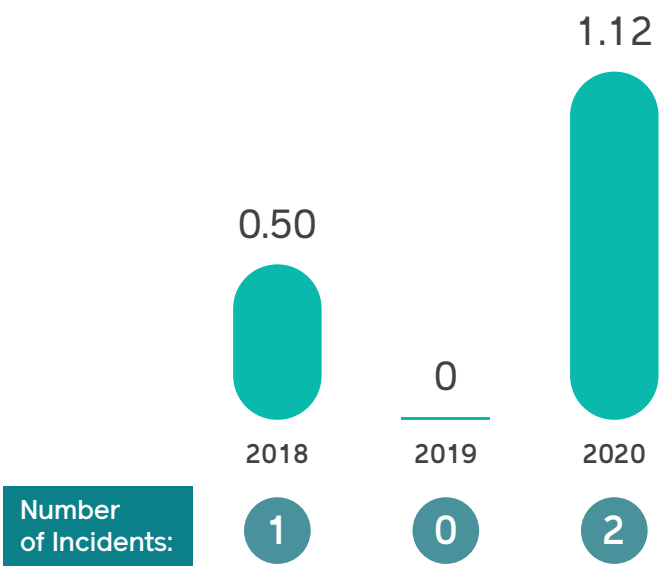
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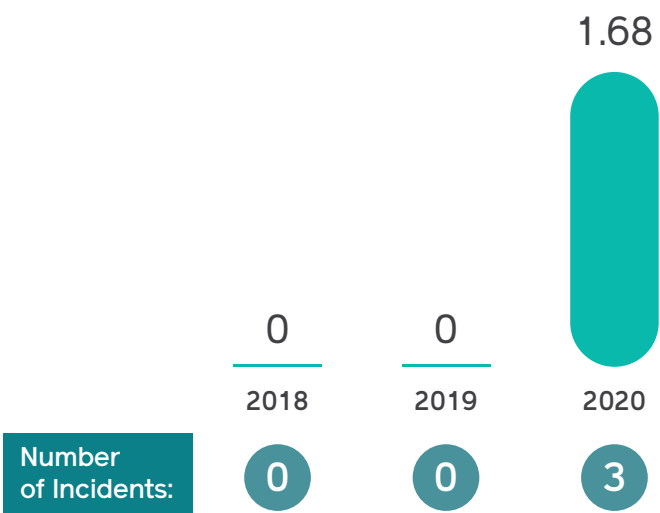
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Our Health & Safety Performance

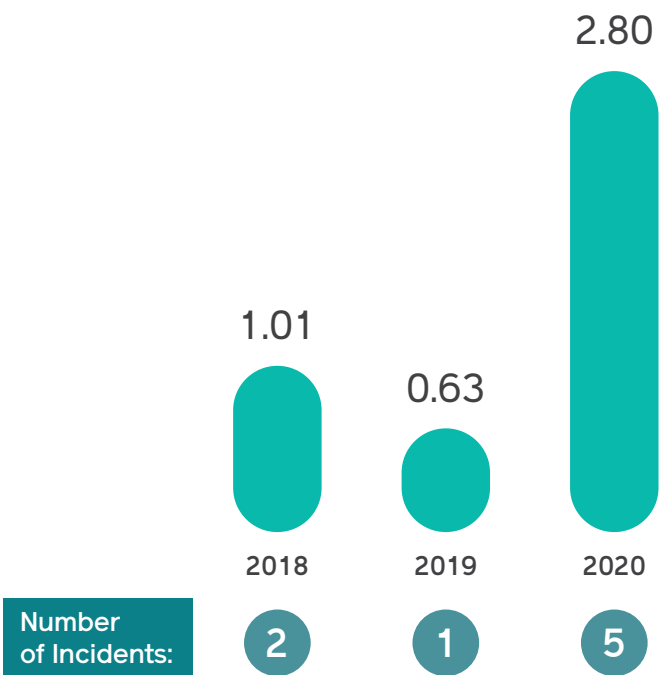
Lost Time Incident Rate (LTIR) ¹



Serious Incident Rate ¹



Total Recordable Incident Rate (TRIR) ¹



Process Safety Incidents & Fatalities ²



Lundin Energy Health & Safety Policy



¹ Per million hours ² Since 2016
All data includes employees and contractors

People and Society

5 GENDER
EQUALITY



8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE

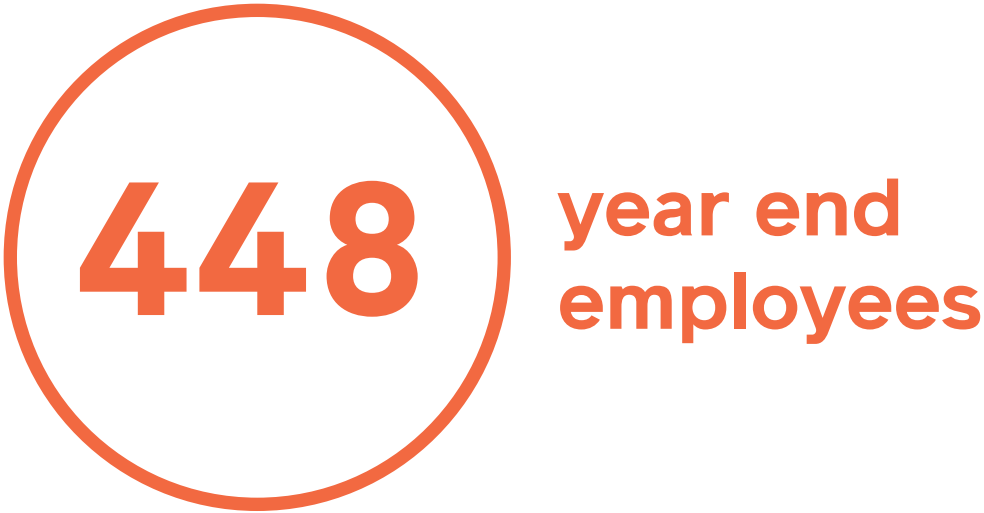


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Promoting a Diverse, Gender-balanced and Engaged Workforce

➔ 2020 Statistics



Women in workforce



Lundin Energy Diversity Policy



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Adhering to the Highest Standards of Human Rights and Labour Practices



UN Global Compact participant since 2010



Endorsed the UN Guiding Principles on Human Rights in 2012



Human Rights core to mandatory E-learning

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Human Rights
and Stakeholder
Relations Policies



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Creating Positive Societal Impacts



➤ Lundin Energy’s investment through **Lundin Foundation** catalyses scalable solutions

Impacts in 2020

1.7
MUSD
annual
investment




62
social and
environmental
start ups
supported



201
jobs
supported



8.3
MUSD
revenue
generated



2.3X
revenue growth
(average)



14
MUSD
follow-on
funding
secured



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Supporting a Range of Innovative, Sustainable Businesses



LUNDIN
FOUNDATION

Lundin
Energy
**Investing for
the Future**



Katapult Climate (Oslo, Norway):

Launched by Katapult and Lundin Foundation with the goal of supporting climate tech startups to advance low carbon innovations



Ocean Harvesting Technologies (Karlskrona, Sweden):

Prototyping infinity wave power technology, a modular and scalable wave energy conversion system capable of capturing and converting wave energy in a highly cost-efficient manner



Trine (Gothenburg, Sweden):

Supports renewable energy for households in developing countries



Evoy (Bergen, Norway):

Develops high-speed electric engine and propulsion systems for small and medium sized commercial boats



Katapult Ocean (Oslo, Norway):

Launched by leading Norwegian business incubator Katapult and WWF with the goal of developing solutions to preserve the health of our ocean



Charge (Oslo, Norway):

Supports first generation immigrants to launch and grow businesses

Governance and Ethics



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Our Sustainability Approach



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Upholding our Code of Conduct

➤ Core set of principles to conduct activities in a responsible and sustainable way

- Upholding ethical business practices across the value chain
- Minimizing impact on the environment
- Providing a safe working environment for employees and contractors
- Respecting and engaging with the owners of the resources
- Sustaining a good return on investment for shareholders

“Lundin Energy is only as good as the people who work for us. Our success depends on people sharing the same entrepreneurial spirit coupled with shared vision and values. At Lundin Energy everyone can make a difference.”



Ian H. Lundin
Chairman of the Board



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Adhering to the Highest Level of Ethical Conduct

➤ Our actions as guided by our Corporate Policies:

- ➔ All forms of corruption prohibited under our **Anti-Corruption Policy**
- ➔ Transparent means to report potential misconduct through our **Whistleblowing Policy** and **Procedure**
- ➔ Follow industry best-practice as per our **Competition Law Policy**
- ➔ Maintain strict ethical internal controls on business practices as outlined in our **Anti-Fraud**, **Anti-Money Laundering** and **Corporate Tax Policies**
- ➔ Employees and the Board receive **mandatory training** across core sustainability policies and Code of Conduct

Governance-related Policies



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Contact information

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